

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 09023 050451Z

15

ACTION SCI-06

INFO OCT-01 NEA-10 ADP-00 ACDA-19 CIAE-00 INR-10 IO-13

L-03 NSAE-00 NSC-10 RSC-01 SCEM-02 OMB-01 TRSE-00

AEC-11 RSR-01 /088 W

----- 010633

R 031815Z AUG 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5974

INFO AMCONSUL BOMBAY

C O N F I D E N T I A L NEW DELHI 9023

E.O. 11652: GDS

TAGS: ENRG, TECH, IN

SUBJ: INDIA ASKS HELP ON ENRICHED URANIUM PROCUREMENT

1. R.K. SANYAL, ADDITIONAL SECRETARY, ECONOMIC DEPARTMENT, MEA, CALLED IN ACTING ECONOMIC COUNSELOR JULY 31 TO ASK FOR ASSISTANCE ON PRICE PROBLEM INVOLVED IN PROCUREMENT OF ENRICHED URANIUM. SANYAL DREW ON AND THEN FURNISHED FOLLOWING PAPER:

2. "THE UNITED STATES ATOMIC ENERGY COMMISSION WERE REQUESTED FOR WITHDRAWAL OF 2.66 PERCENT ENRICHED 20,000 LBS UF 6 (6145 KG URANIUM) IN THE FIRST FORTNIGHT OF AUGUST 1973 IN TERMS OF AN EXISTING CONTRACT FOR THE SALE OF ENRICHED URANIUM, NI IN/DS/3. THIS WITHDRAWAL WAS REQUESTED KEEPING IN VIEW:
(A) GOVERNMENT OF INDIA'S NUCLEAR FUEL COMPLEX PRODUCTION SCHEDULE TO ENSURE A CONTINUOUS RUN;
(B) ANTICIPATED FUEL BUNDLE REQUIREMENTS BASED ON A LARGER THAN ANTICIPATED NUMBER OF DEFECTIVE FUEL BUNDLES BEING FOUND.

2. EARLY IN JUNE 1973 WE RECEIVED A COMMUNICATION FROM INDIA SUPPLY MISSION IN WASHINGTON REQUIRING OPERATIONAL JUSTIFICATION FOR THE ABOVE DELIVERY IN VIEW OF THE SHORT NOTICE GIVEN. OPERATIONAL JUSTIFICATION ON ABOVE LINES WAS CONVEYED TO ISM AND THE MATTER WAS ALSO TAKEN UP WITH DR PINAJIAN, US AEC
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 NEW DE 09023 050451Z

REPRESENTATIVE IN BOMBAY. REGARDING SHORT NOTICE, IT APPEARS THAT

USAEC'S CABLE DATED 6 APRIL 1973 WAS SUPPOSED TO CONTAIN A SENTENCE READING 'HENCEFORWARD DELIVERIES WOULD REQUIRE A MINIMUM OF 180 DAYS ADVANCE NOTICE. UNFORTUNATELY THIS PART OF THE TELEGRAM WAS NOT ACTUALLY RECEIVED AND IT WAS ONLY ON 5 MAY 1973 THROUGH PINAJIAN THAT OUR ATOMIC ENERGY COMMISSION BECAME AWARE OF THE AFOREMENTIONED MINIMUM PERIOD OF DELIVERY OF 180 DAYS. ACCORDINGLY OUR REQUIREMENTS WERE IMMEDIATELY

REVIEWED AND CONVEYED TO USAEC ON 25 MAY 1973, REQUESTING FOR THE RELEASE OF ENRICHED URANIUM IN THE FIRST FORTNIGHT OF AUGUST 1973.

3. IN RESPONSE TO THE ABOVE REQUEST USAEC HAVE PREPARED A SCHEDULE OF RELEASE BEGINNING 19 AUGUST 1973.

4. APART FROM THE DELAY IN DELIVERY THERE IS A 10 PER CENT PRICE RISE EFFECTIVE FROM 15 AUGUST 1973 WHICH TOTALS US \$120,000.

3. SANYAL SAID THAT THE FEW DAYS DELAY IN DELIVERY WAS NOT A PROBLEM. THE PROBLEM IS SOLELY THE \$120,000 INCREASE IN PRICE.

4. EMBASSY RECOMMENDATION: UNLESS IT CAN BE CLEARLY ESTABLISHED THAT THE INDIANS WERE INFORMED OF THE 180 DAY ADVANCE NOTICE IN APRIL THE EMBASSY STRONGLY RECOMMENDS THAT IF ADMINISTRATIVELY POSSIBLE, THE INDIANS BE BILLED AT THE LOWER PRICE. IF THE INDIANS WERE GENUINELY IGNORANT OF THE CHANGE IN PROCEDURE, THEY WOULD SEEM TO HAVE A GOOD CASE IN EQUITY. IN ANY EVENT, IT IS A RELATIVELY INEXPENSIVE WAY TO SHOW SOME GOOD WILL TO THE INDIANS AT A CRITICAL STAGE IN INDO-US RELATIONS WHEN BOTH SIDES ARE LOOKING FOR WAYS TO IMPROVE RELATIONS AND WHEN INDIA'S EXTERNAL FINANCIAL POSITION IS UNDER SEVERE STRAIN.

5. IF DECISION IS FAVORABLE, REQUEST THAT EMBASSY BE USED TO INFORM GOI SO THAT WE CAN MAXIMIZE POLITICAL VALUE.

6. BOMBAY AEC REPRESENTATIVE CONCURS.
MOYNIHAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE09023
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS MOYNIHAN
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730859/aaaabrkd.tel
Line Count: 98
Locator: TEXT ON-LINE
Office: ACTION SCI
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by kelleyw0>; APPROVED <09-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDIA ASKS HELP ON ENRICHED URANIUM PROCUREMENT
TAGS: ENRG, TECH, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005